

## Senate File 44 - Introduced

SENATE FILE 44

BY ZAUN, JOHNSON, SEGEBART,  
SINCLAIR, BOETTGER,  
KAPUCIAN, ZUMBACH,  
CHELGREN, WHITVER, and  
FEENSTRA

### A BILL FOR

1 An Act relating to the use of revenues from automated traffic  
2 law enforcement programs and establishing an uninsured,  
3 hit-and-run, and underinsured motor vehicle coverage trust  
4 fund.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.307, Code 2013, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 14. *a.* Notwithstanding any other provision  
4 of law, civil fines collected by a county from the use of an  
5 automated traffic law enforcement system shall be allocated as  
6 follows:

7 (1) The amount necessary to satisfy contractual obligations  
8 of the county relating to the use of automated traffic law  
9 enforcement systems shall be retained by the county for that  
10 purpose.

11 (2) Moneys in excess of the amount necessary for the purpose  
12 specified in subparagraph (1) shall be forwarded monthly to the  
13 treasurer of state for deposit in the uninsured, hit-and-run,  
14 and underinsured motor vehicle coverage trust fund created in  
15 section 516A.6.

16 *b.* For purposes of this subsection, "*automated traffic law*  
17 *enforcement system*" means a device with one or more sensors  
18 working in conjunction with a traffic control signal or device  
19 or a speed-measuring device to produce recorded images of  
20 vehicles being operated in violation of traffic or speed laws.

21 Sec. 2. Section 364.3, subsection 2, Code 2013, is amended  
22 to read as follows:

23 2. For a violation of an ordinance, a city shall not  
24 provide a penalty in excess of the maximum fine and term of  
25 imprisonment for a simple misdemeanor under section 903.1,  
26 subsection 1, paragraph "a". Except as otherwise provided  
27 in this section, an amount equal to ten percent of all  
28 fines collected by cities shall be deposited in the account  
29 established in section 602.8108. ~~However, one~~

30 a. One hundred percent of all fines collected by a city  
31 pursuant to section 321.236, subsection 1, shall be retained  
32 by the city.

33 b. Civil fines collected by a city from the use of an  
34 automated traffic law enforcement system shall be allocated as  
35 follows:

1     (1) The amount necessary to satisfy contractual obligations  
2 of the city relating to the use of automated traffic law  
3 enforcement systems shall be retained by the city for that  
4 purpose.

5     (2) Moneys in excess of the amount necessary for the purpose  
6 specified in subparagraph (1) shall be forwarded monthly to the  
7 treasurer of state for deposit in the uninsured, hit-and-run,  
8 and underinsured motor vehicle coverage trust fund created in  
9 section 516A.6.

10    (3) For purposes of this subsection, "automated traffic law  
11 enforcement system" means a device with one or more sensors  
12 working in conjunction with a traffic control signal or device  
13 or a speed-measuring device to produce recorded images of  
14 vehicles being operated in violation of traffic or speed laws.

15    c. The criminal penalty surcharge required by section 911.1  
16 shall be added to a city fine and is not a part of the city's  
17 penalty.

18    Sec. 3. **NEW SECTION. 516A.6 Uninsured, hit-and-run, and**  
19 **underinsured motor vehicle coverage trust fund.**

20    1. An uninsured, hit-and-run, and underinsured motor  
21 vehicle coverage trust fund is created in the state treasury  
22 under the control of the commissioner of insurance. The  
23 fund shall consist of any moneys appropriated by the general  
24 assembly and any revenues credited to the fund pursuant to  
25 section 331.307, subsection 14, and section 364.3, subsection  
26 2. Moneys in the fund are not subject to section 8.33.  
27 Notwithstanding section 12C.7, subsection 2, interest or  
28 earnings on moneys deposited in the fund shall be credited to  
29 the fund.

30    2. Moneys in the uninsured, hit-and-run, and underinsured  
31 motor vehicle coverage trust fund shall be used to reimburse  
32 insurers for the payment of claims under uninsured or  
33 hit-and-run motor vehicle coverage and underinsured motor  
34 vehicle coverage issued pursuant to section 516A.1.

35    3. The commissioner of insurance shall administer a

1 program for the reimbursement of insurers for claims paid  
2 under uninsured or hit-and-run motor vehicle coverage and  
3 underinsured motor vehicle coverage issued pursuant to section  
4 516A.1. The commissioner of insurance shall adopt rules  
5 establishing a process by which insurers may qualify for and  
6 apply for reimbursement from the fund. The commissioner  
7 may establish a limit on the amount that may be awarded for  
8 reimbursement for any claim in order to make the distribution  
9 of reimbursement payments as equitable as possible among  
10 eligible insurers.

11

## EXPLANATION

12 This bill creates an uninsured, hit-and-run, and  
13 underinsured motor vehicle coverage trust fund under the  
14 control of the commissioner of insurance. Moneys in the  
15 fund are to be used to reimburse insurers for claims paid  
16 under uninsured or hit-and-run motor vehicle coverage and  
17 underinsured motor vehicle coverage provided with motor vehicle  
18 liability insurance policies. The bill directs the insurance  
19 commissioner to adopt administrative rules establishing  
20 a process by which insurers may qualify and apply for  
21 reimbursement from the fund. In order to make the distribution  
22 of payments as equitable as possible among insurers, the  
23 commissioner is authorized to establish a limit on the amount  
24 of reimbursement allowed for any claim.

25 Under the bill, the source of revenue for the uninsured,  
26 hit-and-run, and underinsured motor vehicle coverage trust fund  
27 is the revenue derived by cities and counties from automated  
28 traffic law enforcement programs. The bill directs that, from  
29 the civil fines collected by a city or county from the use of  
30 automated traffic law enforcement systems, the amount necessary  
31 to satisfy the contractual obligations relating to the use of  
32 the systems shall be retained by the city or county. Moneys  
33 in excess of that amount are to be forwarded monthly to the  
34 treasurer of state for deposit in the uninsured, hit-and-run,  
35 and underinsured motor vehicle coverage trust fund.